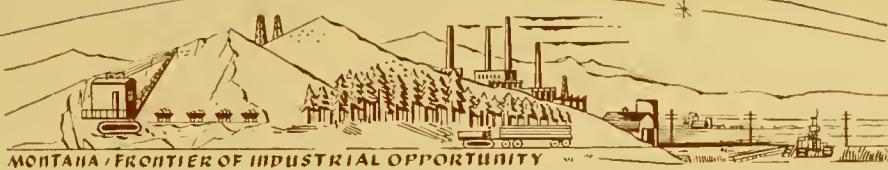


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Industrial Horizons



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Many Services Accorded to Small Business Concerns by S.B.A.

By W. T. Beaumont

The Small Business Administration is the first peacetime, independent Governmental agency created solely to advise, assist and protect small business enterprises.

The Agency was established under the Small Business Act of 1953 passed by the 83rd Congress last July 30 and signed into law by President Eisenhower the same day.

To understand the basic reason for the operation, it is well to quote briefly what Congress said when the Small Business Administration was created:

Congress said: "It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect insofar as is possible the interests of small business concerns in order to preserve free competitive enterprise, to insure that a fair portion of the total purchases and contracts for supplies and services for the Government be placed with Small-business enterprises, and to maintain and strengthen the overall economy of the Nation."

Congress conceived that a small business is at a disadvantage, in competing in some respects with larger businesses, just because it IS small.

A large firm is in a better position to get information on contracts from the Government than a small firm. A large firm can afford to spend more money to hire costly administrative and technical experts. It can spend more of its funds on research, AND, it is easier for it to expand through issuing securities for equity capital.

Therefore Congress gave three major functions to the Small Business Administration:



W. T. BEAUMONT
Branch Manager
Small Business Administration
Helena, Montana

Helping small business gain access to adequate credit, at reasonable rates.

Helping small business to obtain a fair share of Government contracts.

Helping small business to obtain competent management, technical and production counsel.

The Small Business Administration has a fourth function, also, which is to lend money to owners of homes and businesses which have suffered from natural disasters like earthquakes, hurricanes, and floods.

Loans can be made directly by the Small Business Administration up to a maximum of \$250,000 to any one applicant. But, in order to obtain maximum effectiveness from that fund, it will make direct loans only under limited circumstances. It requires that each applicant seek the desired loan from his own bank before applying to us.

Preference is given, first to participation loans with a bank, on a deferred basis; secondly, to participation with a bank, on an immediate basis; and third, only if all efforts to get a bank loan fail, to make a direct loan.

On a deferred participation loan, the bank lends the money and the Small Business Administration agrees to purchase an agreed share on demand from the bank at some future time if necessary.

On an immediate participation, the Small Business Administration agrees to purchase a share and pay the bank as the bank disburses the money.

A direct loan explains itself,—a loan made directly by the Small Business Administration to the applicant.

A recent addition to the original program provides a service to small retailers, wholesale distributors, service establishments, and other types of business, who because of their operation have little in the way of tangible collateral. However, they may have a good earnings record, competent management, and a creditable record with local banks in meeting their obligations.

Banks must participate at least 25% of the loan, with the maximum

AGENDA FOR STATEWIDE CONFERENCE APRIL 19-20 BEING FORMULATED

Arrangements are underway for an educational conference to provide information on community improvement to advance industrial development. It will be held in the Placer Hotel, beginning on the evening of April 19th and continuing throughout the entire day of the 20th.

Several prominent persons from industry and government agencies have already accepted invitations to appear as guest speakers. Tentative topics which will be covered in a specially related sequence include broad aspects of area development, factors that make a community attractive to industry, evaluating a community's industrial potential, community organization for industrial development, urban planning and renewal programs, and legal considerations in urban planning and development. Liberal discussion periods are planned on each topic, and a general question and answer period at the closing session with all speakers present is being arranged.

All persons in Montana interested in the industrial development of the state are urged to attend. The subject matter should be of special interest to city, county, and state officials, legislators, Chamber of Commerce members, labor leaders, business representatives, and educators. Further detailed information on the program will be contained in the March issue of Industrial Horizons. In the meantime though, calendars should be marked reserving April 19th and 20th for this "kickoff" meeting. Consideration and discussion at this time can also insure that your community will have a good representation for this informative and worthwhile conference.

limit of the full loan \$20,000. The banks must represent new money or substitute short term loans, outstanding less than 6 months. Applications for the loan must be made directly to a bank using the SBA forms. The bank determines the character, and ability of the applicant's management, future business prospects, repayment ability and recommends terms and conditions, including collateral required.

The SBA will take final action on the loan based on the bank's recommendations and the data submitted. After approval, the loan is serviced by the participating bank.

Other services include, cooperation with Government purchasing agencies in determining which of their purchases should be awarded to small firms in the interest of mobilizing the Nation's full productive capacity or in the interest of war or national defense programs.

Make or arrange to have made a complete inventory of all productive facilities or small business concerns which can be used for war or defense production.

One of the most important programs of the Small Business Administration is counselling and assisting small firms in selling to the Federal Government. As part of this program, the Agency helps the small business owner to determine what products or services he can supply to the Government and furnishes him with the names and locations of Government installations which normally buy the items or services. The small business owner then can obtain listing on the agencies' appropriate bidders lists.

Financial specialists are on hand in the Agency's field offices to counsel and advise small firms on financial problems, and to help them obtain assistance through private lending institutions.

Field office staffs include experienced management counsellors who work directly with owners of small businesses on specific problems presented to them.

The Small Business Administration provides experienced counsel to small business concerns and individuals in locating a marketable product or new line or type of product, and in locating a market for a product, which may include someone to make it and put it on the market. The program is designed to assist small firms in finding solutions to research and development problems regarding product improvement and new products as they arise from day to day. As part of this Agency service field offices maintain lists of Government-owned patented products and processes which are available to small firms either free or with only a nominal charge for their use.

Production specialists in the Small Business Administration regional offices are available to help individual small business concerns with technical production problems. These problems frequently arise in cases where a firm is making items for

Community Attitude a Factor in Rebuilding of Razored Saw Mill

An excellent example of what industry means to a community, and what industry looks for from the community, is given in the announcement of the Stoltze Land and Lumber Company to rebuild its sawmill at Half Moon, near Columbia Falls, Montana, after its destruction by fire on Sunday, January 22nd.

The mill, one of Montana's largest, employs 105 men not counting those working in the timber. In the aftermath of the fire there was much concern and speculation among the employees and their families, businessmen, and residents of the area as to what the effect of the fire would be on their individual lives and the life of the community. Fears that the fire might result in loss of jobs and other income opportunities in the area were soon dispelled. By Wednesday following the fire, plans had been made to rebuild the mill; arrangements were made to lease an inoperative mill nearby; and the planer mill, not damaged by fire, resumed operations.

We don't know the full story behind this prompt and decisive action, but from all indications, we are willing to bet that there is a long history of mutual appreciation by both the community and the company. According to the Hungry Horse News of January 27th, officials praised the firefighters, and company President John R. Stoltze of St. Paul emphasized his "appreciation of the friendly spirit of the valley where people wholeheartedly help each other." Concern for the employees was evident in the early decision to rebuild. Company officials met with the employees on Wednesday night following the fire and reviewed plans for rebuilding and outlined the winter's program. One official expressed the company attitude simply but succinctly by saying, "There's a wonderful bunch of boys, and you can't expect people to put their hearts in it for you if you don't think of them." And to this we can only add that there must have been some community pride and loyalty to the company to merit these remarks.

A sidelight to the story is also of interest from the community improvement angle. Community groups are now discussing the adequacy of firefighting equipment designed for a population of 1,232 in 1950, when the population has nearly doubled since that time.

the Government not directly along the lines of its normal civilian business or where the Government specifications require operations which the firm did not understand when it undertook the contract. Production assistance often takes the form of locating tools or materials which are urgently needed. Advice also is given on problems of plant location and plant space.

Employment Service Program of Community Participation

A U.S. Department of Labor transmittal letter to State Employment Security Agencies contains new guidelines for local office participation in community employment programs. The transmittal letter points out that "tremendous developments of the last decade . . . combined with the new policies of industry to limit the size of its units and to disperse them more widely makes it obvious that many more communities have a chance to attract a new facility than ever before." It also points out that "it is not only an accident of climatic conditions and natural resources that has led to the phenomenal industrial growth of certain cities and regions. Aggressive community leadership, backed by organization, thorough fact finding, and excellent publicity, combine to bring about outstanding results."

Communities carrying on industrial development programs are encouraged to contact the State Employment Service Office in their area for assistance in determining employment trends, labor market conditions, and other types of economic analysis related to industrial employment. Local offices are being encouraged to work closely with community groups not only to provide data, but also after committees are established. Development groups can take advantage of these expert services most effectively by insuring that local Employment Service Office managers are on actively operating committees.

Survey Lack Handicap to Plan*

No matter how much money an area has available for coaxing in new industry, its long-range community planning and development will be handicapped unless it conducts a survey of its economic base.

Government and private interests are agreed on this point, and they have the ammunition of logic to support their view, which is given validity by such items as the following:

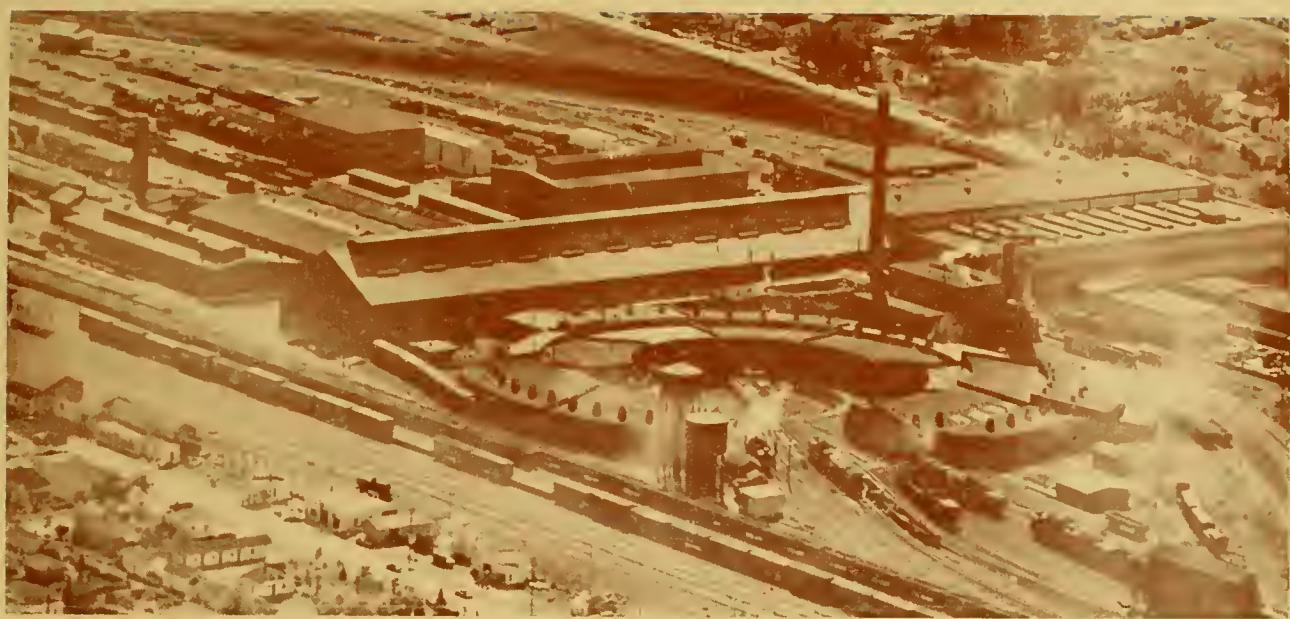
1. Such a survey constitutes a quick and intelligent introduction to a region for public officials, for industrial marketing and business people, and for almost anyone else interested in learning more about his community.

2. It not only identifies the forces which have led to economic growth and stability in the area but, more importantly, it gives an indication at least of the factors which have a key bearing on future development.

3. It puts into proper perspective, if only in general terms, the more rewarding fields of effort as against the less rewarding.

4. Finally, the survey can designate specific problems for future research to assist in realizing the potentialities which the survey has identified.

*From PROGRESS IN OREGON, January, 1956, official publication of the Oregon Development Commission.



NORTHERN PACIFIC TO SPEND \$790,00 FOR EXPANSION OF LIVINGSTON DIESEL SHOPS

Pictured above are the Northern Pacific Repair Shops at Livingston where \$790,000 will be spent to expand diesel locomotive maintenance and inspection facilities. In announcing the plans C. H. Burgess, Vice President in charge of operating and maintenance, said that Livingston will be the principal diesel maintenance point on the system as the Northern Pacific's program of complete dieselization develops. The new shop will be at the south end of the present locomotive repair shop (left end of largest building in above picture). Sixteen stalls of the present roundhouse (in the center foreground above) and other existing buildings will also be removed to make room for the new facility.

The building, of steel frame construction on a reinforced concrete foundation, will be 225 feet long, 120 feet wide and 30 feet high. Insulated asbestos cement panels will be used for exterior walls, and two tiers of steel sash windows will provide light and airy working conditions. The layout of the shop will include all the latest equipment for performing running maintenance and inspection of diesel road locomotives, road switchers, and switchers. Five tracks will extend the length of the building, one with inspection pits underneath and a ten-ton electrically operated crane overhead. Other features include four raised tracks, eleven-feet wide concrete service platforms, fueling, sanding, and washing facilities.

The Northern Pacific shops have long been an important factor in Livingston's economy, a fact well recognized by the community. In the announcement of the new development which appeared in the Park County News of February 9, 1956, Editor Fred Martin made the comment that, "Definitely, the expansion of Northern Pacific activity, the sound and sensible development of our lumber industry, a solid farm and ranch economy and an increasing tourist business . . . gives us grounds for confidence. Now is the time for concerted planning for progress in every field of endeavor. A factor of importance is good, sound community organization and a plan. There's no time for ecstasy sprees—the time to go to work is now."

Miscellaneous Development Activities

Harold McGrath, Manager of the Butte Chamber of Commerce, reports that they have been conducting an industrial survey for many months, and that the gathering of information has now been completed. The report will be mimeographed in a loose leaf form and placed in a pocket type folder so that information can be kept up-to-date. He also reported other developments completed and planned in the city. Completed projects include a \$200,000 grade school remodeling job, the newly established Security State Bank building with drive-in facilities, and the drive-in accommodations of the Metals Bank and Trust Company. Major projects underway and planned include a new \$2,500,000 junior high school (begun last September), \$250,000 remodeling of Hotel Finlen, a 24-bed addition to Community Memorial Hospital, an outdoor swimming pool to be built by the city, and the construction of the \$4,000,000 Safeway Stores Distribution Center.

The Unemployment Compensation Commission's "Montana Labor Market" of February 15, 1956, points out that "Highest January employment in Montana history is indicated in preliminary estimates of wage earners in non-farm industries as of January 15," and that "the wage earner total is taken to indicate a steadily growing pool of available labor in the state." Spring employment prospects are also reported to be good.

Industrial site areas are featured in the Annual Report of the Miles City Chamber of Commerce received from Secretary-Manager Hamilton Gordon. A map in the center of the report shows sites, gives ownership information, and describes general conditions of availability. Applications for the industrial land may be made to the Miles City Industrial Planning Board, care of Miles City Chamber of Commerce, Miles City, Montana.

Norris Johnson, Manager of Bozeman's Chamber of Commerce, writes the Planning Board emphasizing that "Industrial development is a long-range program. Results come only after plenty of hard work, which takes the time and talents of not only Chamber managers, but also the efforts of a good hard-working industrial development committee, the entire Chamber membership, and the community as a whole." He also outlined a three phase program now being carried on for the industrial development of the Gallatin Empire. An industrial survey is being conducted; organization of an Industrial Development Corporation to gather risk capital is underway; and an effective promotional program built around the Development Corporation and the Chamber Industrial Development Committee is being planned. Existing industries located in the area will not be overlooked, Johnson says.

MONTANA DEFINED

(Reprinted by permission—from an editorial in the Montana Standard)

We have been asked to define Montana. What is it? we are asked. What does it mean? Where did it come from? Who owns it? Where is it going? Who runs it?

Those are tough questions, when you attempt to answer them.

You might say: Montana is one of the biggest wheat pies in the world. It's one of the biggest copper piles. It's one of the biggest lumber piles. It's a million sacks of sugar.

It's potentially the biggest hydroelectric power house in the world. It's a silver dollar. It's one state west of the divide and one state east of the divide. There's enough waste material left over to make a third state.

Montana is Robbers' Roost. It's the Vigilantes hanging Henry Plummer. It's a million Christmas trees. It's Custer's last stand.

Montana is Lewis and Clark and Sacajawea. It's the world's largest giant spring from which flows the mighty Missouri and the turbulent Columbia.

Montana is Fort Peck dam, the largest earth-fill dam in the world. It's a cattle ranch with the front gate 30 miles from the front porch. It's a rodeo. It's a dude ranch. It's old Faithful. It's Gunsight Peak. It's Going-to-the-Sun Highway.

Montana is Charlie Russell. It's the Richest Hill on Earth. It's Last Chance Gulch. It's a 50,000 mile trout stream.

Montana is Marcus Daly looking into the earth and seeing billions of dollars worth of copper.

Montana is Big Hole Basin with 10,000 haystacks.

Montana is a jewel-like mountain lake.

Montana is a miner, a cowboy, a lumberjack, a farmer, a dude rancher, an Indian, a cattle baron, a vigilante, a road agent, a fur trapper,

a banker, an oil driller, an engineer, an artist, a writer, a soldier, a millionaire.

Montana is a pine tree.

Montana is a fat steer.

Montana is a gold mine, a silver mine, a copper mine, a zinc mine, a manganese mine, a lead mine. Montana is a ghost town. It's a Grasshopper Glacier. It's Yellowstone Park. It's Glacier Park.

Montana is a church spire. It's a school. It's a boy with a dog and a fishing rod.

Montana is a scenic wonder. It's a volcano. It's a geyser. It's Hell cooled off.

It's a cherry tree, an apple tree, a potato, a mustard seed, an alfalfa patch, a lovely flower.

Montana is all these things and millions more.

It's a home to some 600,000 people.

Some two millions of visitors come annually to drink in its beauty, enjoy its built-in air conditioning system, mingle with its friendly people.

These visitors spent some 90 million dollars last year, according to Jack Hallowell, State Advertising Director.

Mr. Hallowell thinks that if more people knew more about Montana the annual tourist crop would be considerably greater.

There isn't any doubt about Mr. Hallowell's being right. When you try to add up the total of what Montana is, the column is simply too long. It can't be added.

When you attempt to define Montana you have to say it's everything and then some. Who owns it? It belongs to the ages. Who runs it? It has 600,000 operators, and there's room for 600,000 more. And it's the greatest state in the Union, if anyone asks. Any more questions

Wide Open Spaces

Not Necessarily Industrial Sites

Oftentimes zealous community groups which are encouraging industrial development in their localities advertise that industrial sites are available for prospective industries without giving adequate consideration to the practical factors of site location. There is no standard set of conditions which can be used to cover every possible situation, but certain factors should always be taken into account. Here is a list of facts, usually easy to obtain, which should be included in a description of sites:

- Size of site (dimensions or acreage).
- Present ownership.
- Approximate price, conditions or terms of availability.
- Utilities and services at site or proximity if construction is necessary.
- Zoning regulations or classification.
- Transportation facilities (railroad, streets, highways—if not available, can they be provided?)
- Physical description (improved, unimproved, topography).
- Location with respect to city (inside or outside city limits).

Maps are a good way of showing this essential type of information, and effective ones should not be difficult to prepare since most cities already have maps which can be readily adapted to this purpose.

In special cases additional information may be desirable since some industries may be interested in knowing about prevailing winds, special sewage facilities, underground water supplies and other similar features. It is impossible, however, to anticipate all these questions and in many cases it would be uneconomic to provide such information. Promotion groups should be prepared, though, to help prospects in securing additional information when it is requested.

Plan to attend the Community Development Conference April 19-20 in Helena. Further details in article on page 1.

Industrial Horizons

The official publication of the State Planning Board, is issued monthly and distributed free of charge to Montana citizens. Its purpose and policy is to keep Montanans abreast of industrial development efforts and occurrences.

Persons or organizations wishing to receive HORIZONS may be placed on the mailing list by sending a card or letter to that effect to the State Planning Board with the name and address of recipient clearly indicated.

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